The Law Society of Manitoba

Annual Report

1988

89-00198/

The Law Society of Manitoba

Annual Report of the Benchers

This report covers the practising year
April 1st, 1987 to March 31st, 1988

To the Members of the Law Society

Benchers elected for a Two Year Term on May 7th, 1986

Eastern Judicial District: R. Anderson, D.G. Baizley, Q.C. (1), G.G. Brodsky, Q.C., J.M. Chapman, Q.C., N. Cuddy, R.A. Dewar, D.G. Frayer, Q.C., J. Gindin (2), J.R. Glowacki, Q.C., C.M. Hall, D.G. Hill, B.D. Klein, C.R. MacArthur, A. MacInnes, Q.C., D.C.H. McCaffrey, Q.C., J.M. Scurfield, R.G.S. Shead, J.F.R. Taylor, Q.C., D.G. Ward, H. Weinstein, Q.C., G.M. Wood

(1) became Life Bencher on May 28th, 1987
(2) appointed to fill vacancy of D.G. Baizley, Q.C.

Central Judicial District: C.P. Sing, G.R. Gilmour

Dauphin Judicial District: E.B. Irwin, J.A. Menzies

Western Judicial District: G.N. Bass, D. Campbell, Q.C., D.M. Little, L.R. McInnes, N.H. Sims

Northern Judicial District: D.R. Knight, F. Sardiwalla (1), H. Beard (2)
(1) resigned as a Bencher on Oct. 29, 1987
(2) appointed to fill vacancy of F. Sardiwalla

Lay Benchers Appointed for a Two Year Term: Anita Neville, William Shead, James Toal, Val Werier

Faculty Benchers: Dean T. Anderson, Q.C. and Professor D. Deutscher appointed for a two year term.

University Bencher: Ross Antymniuk for a one year term ending May, 1988.

Student Bencher: Melanie Lautt elected for a one year term ending September, 1988.

LIFE BENCHERS

Eastern Judicial District: Judge F.D. Allen, Q.C., D.G. Baizley, Q.C., R.S. Bowles, Q.C., H. Buchwald, Q.C., A.L. Campbell, Q.C., J.G.B. Dangerfield, Q.C., Hon. R.G.B. Dickson, I. Dorfman, Q.C., K.B. Foster, Q.C., M.H. Freedman, Q.C., Hon. G.R. Goodman, J.P. Guy, Q.C., G.T. Haig, Q.C., H.B. Monk, Q.C., Hon. P.S. Morse, E.W. Olson, Q.C., C. Pappas, A.A. Rich, Q.C., P.W. Schulman, Q.C., Hon. R.J. Scott, Hon. V. Simonsen, A. Sweatman, Q.C., D.A. Thompson, Q.C., H. Walsh, Q.C.

Central Judicial District: J.A. Duncan, Q.C.

Western Judicial District: F.O. Meighen, Q.C., D.D. St. John, Q.C.

EX-OFFICIO BENCHERS

Hon. R. Hnatyshyn, Q.C. and Hon. V. Schroeder, Q.C.

OFFICERS
(Appointed May, 1987)

President: J.M. Chapman, Q.C.
Vice-President: A. MacInnes, Q.C.
Past President: D.G. Baizley, Q.C.

STAFF

Graeme Garson, Q.C., Chief Executive Officer
Deborah J. McCauley, Deputy Chief Executive Officer
Judith Webster, Counsel
Dianna Scarth, Staff Solicitor
Jessie McPhee, Administrative Assistant (retired Dec. 31, 1987)
Coleen Liewicki, Administrative Assistant
Gordon Jones, Auditor-Inspector
John McFarlane, Assistant Auditor-Inspector (from Aug. 1, 1987)
Ryan Sasaki, Comptroller
Robert Martell, Special Investigator (resigned July 31, 1987)
Gordon Bradley, Special Investigator (from Feb. 15, 1988)
Rebecca de Castro, Secretary
Ellie Turner, Secretary (from Sept. 8, 1987)
Elsie Nykoruk, Secretary (retired Feb. 15, 1988)
Patricia Wright, Secretary
Elizabeth Horne, Secretary
Jennifer Horta, Secretary (from Jan. 4, 1988)
Hazel McKague, Secretary (from Feb. 8, 1988)
Pat Stepanuik, Receptionist

LEGAL STUDIES

Brian Pauls, Director (resigned Aug. 28, 1987)
Morley Gorsky, Director (from July 1, 1987)
Margaret-Anne MacLeod, Assistant Director
Anna Faulkes, Program Coordinator and Registrar/Secretary

LEGAL SERVICES INFORMATION AND LAWYER REFERRAL SERVICES

Mary Troszko, Supervisor

I. Membership

Fifteen Hundred and seventy-six (1,576) certificates were issued for the practising year ending March 31, 1988.

The active membership of the Society as of March 31, 1988, stood as follows:

In Metropolitan Winnipeg, practising members	1,292
In Manitoba, other than Metropolitan Winnipeg	206
Outside Manitoba, members holding practising certificates	50
	1,548

Members paying the special non-practising fee:

In Metropolitan Winnipeg	73
In Manitoba, other than Metropolitan Winnipeg	13
Outside Manitoba	191
	277

The number of practising members in Manitoba as of 31st of December in 1932 was 603. The figures for the other years are as follows:

1940 - 538	1972 - 776	1980 - 1,213
1950 - 551	1973 - 795	1981 - 1,252
1955 - 636	1974 - 837	1982 - 1,282
1965 - 683	1975 - 910	1983 - 1,304
1966 - 702	1976 - 967	1984 - 1,336
1968 - 704	1977 - 1,105	1985 - 1,387
1970 - 723	1978 - 1,083	1986 - 1,483
1971 - 746	1979 - 1,169	1987 - 1,526

and as of March 31, 1988 - 1,548.

In addition to the members paying annual fees there are many who are not in active practice whose names remain on the Rolls. Some hold judicial appointments or official positions, some are in other professions or businesses, many are practising in other Provinces and others are retired.

The following members were called to the Bar and admitted as Solicitors during the period under review:

Guiseppe Aiello, Gregg Anthony Alfonso, Sharron Lynn Arklie, Richard Michael Beamish, Sheila Joan Beatty, Susan Dale Billinkoff, Donald Lorne Bjornson, Carol Zoe Blankstein-McArton, Alan Andrew Borger Jr., Brian Douglas Bowman, David Kenneth Bowman, Darrell James Burt, Helen Maria Caplap, Catherine Elizabeth Carlson, Deborah Louise Carlson, Diane Cave*, Sandra Lorene Chapman, Donald Ian Cochrane, John Paul Cortens, Joy Kathleen Cottingham, Rosemarie Cuddy, John Raymond Delaney, Janet Alexandra Dirks, Kelly Lynne Dixon, Carol Ann Dutcheshen, Paul Donaldson Edwards, William Kenneth Adam Emslie, Allan Francis Foran, Allan Ross Francis, Alan Scott Gibson, Steven Alexander Gingera, William George Haight, Merry Deirdre Harper, John Bruce Harvie, Benjamin Robert Hecht, Jeffrey Brian Hirsch, Diane Rachel Hitchings, Sandra Mae Hoeppner, Peter William Hogg, Edward Brian James, Glenn David Joyal, Sandra Ellen Kliman, Eric Henry Krushel, Linda Ann Labossiere, Theresa Marie Lawrence, Nancy Leitch*, Jane Catherine Lewis, Mary Kathleen MacDonald, Norman MacDonald, Donald Joel Mackinnon, Ian Elliott MacRae, Ian Douglas Mahon, Lorene Helen McDougall, Anne Bernadette

McGarry, Lesley Gay McKenzie, Michael Minenko, Martin Brent Morantz, Craig Stuart Murray, Jeffrey Donald Neily, Brian Jeffrey Pannell, David Arthur William Phillips, June Marilyn Pilon, Wayne Martin Pishak, Debra Joy Poskar, John Edward Shewman Poyser, David Barry Norman Ramsay*, Albert Henry Redekopp, Darwyn Cecil Blayne Ross, Deveryn Donald Alexander Ross, James Sinclair Ross, Beverly Marlene Mary Sawicki, Karen Debra Schwartz, Leonard Decter Schwartz, Karl Peter Henry Stephan, Gabriel Samual Stern, Shirley Lynas Strutt*, Timothy Neil Taylor, Elizabeth Ribeiro Teixeira, Allan Frederick Telenko, Kenneth Anthony Thomas, Murray Paul Thompson, Kathleen Mary Trites, Alexandra Gladys Venema, Robert Rumley Walsh*, Marjorie Anne Webb, Loretta Suzanne Wescott, Peter Garth Williams, Debra Clara Wuziuk, Sandra Carol Yapps, Marcia Tannis Zlotnick, Helen Mary Zuefle.

* denotes transfer

The following were granted permission by the Executive and Finance Committee to appear before the Courts in Manitoba on an occasional appearance:

Robert John Allen, Pab Chinnappa Chetty, Richard Chester Dixon, David William Eryou, Terence Gregory Frederick Gain, Peter Alexander Hart, Thomas Giles Heintzman, Eric Mellish Lane, Jared Richard Margolis, Andrew Marshall Mason, David Migicovsky, Herbert Lorne Morphy, Ronald Gregory Panchuk, Kent Edwin Thomson, Neil Charles Wittman, Q.C.

The Benchers record with regret the death of the following members during the period under review:

Michael Andrew (Drew) Baragar, Joseph Michael Borowski, Myros Wasyl Buriak, Douglas Ross Campbell Donald, Hadley Jon Leif Eyrikson, John Genyk, Nathan Bernard Golsof, George Arthur Lauman, Q.C., Thomas MacKay Long, Q.C., John Douglas Campbell MacLean, Bruce Miller, Q.C., Bernard Berry Minuk, Wayne Douglas Myshkowsky, David Allen Rose, Gerald Stewart Rutherford, Q.C., Abbie Mark Shinbane, Q.C., Earl Solomon, Judge Robert Merle Bruce Toews, Frederick Keith Turner, Q.C., Thomas Greenway Wright.

II. Society's Committees and Memberships

At its meeting of May 28, 1987, the Benchers established the following Committee memberships to serve the Society until May, 1988

NOTE: The President and Vice-President are ex-officio members of all Committees except the Judicial Committee.

EXECUTIVE AND FINANCE COMMITTEE:

Chapman (Chairperson)
MacInnes (Vice-Chairperson)
Baizley
Hill
Little
McInnes
Neville
Shead, K.
Anderson, T
Bass
Dewar
Klein
MacArthur
Scurfield
Weinstein

DISCIPLINE:

Dewar (Chairperson)
Hall (Vice-Chairperson)
Chapman
MacInnes
Irwin
McCaffrey
Toal
Campbell
Cuddy
Deutscher
Gilmour
Little
Neville
Shead, R.

STANDARDS:

MacArthur (Co-Chairperson)
Klein (Co-Chairperson)
Chapman
Taylor
Werier
Marr*
Donald*
Clearwater*
Hamilton*
Anderson, T.
Bass
Ward
Liffmann*
Morton*
Menzies
Wilder, S.*
MacInnes
Saper*

JUDICIAL:

McInnes (Co-Chairperson)
Glowacki (Co-Chairperson)
Gindin
Sardiwalla/Beard
Sing
Baizley
Campbell
Foster
Guy
Meighen
Pappas
St. John
Dangerfield
Walsh
Anderson, R.
Brodsky
Knight
Shead, W.
Wood
Buchwald
Duncan
Freedman
Haig
Monk
Rich
Schulman
Sweatman
Olson

ADMISSIONS AND EDUCATION:

Scurfield (Chairperson)
Wood (Vice-Chairperson)
MacInnes
Antymniuk
Frayer
McInnes
Sims
Werier
Lautt
Chapman
Anderson, T.
Brodsky
McCaffrey
Shead, W.
Weinstein
Baizley
Hill

ETHICS AND PROFESSIONAL RESPONSIBILITY:

Bass (Chairperson)
Cuddy (Vice-Chairperson)
Menzies
Hill
Ward
Sigurdson*
Chapman
MacInnes
Sardiwalla/Beard
Werier
Langtry*
Munroe*

PERSONNEL AND FISCAL MANAGEMENT:

Weinstein (Chairperson)
MacInnes
Frayer
Shead, R.
Chapman
Hall
Campbell
Klein

PROFESSIONAL LIABILITY CLAIMS FUND:

Hill (Co-Chairperson)
Shead, R. (Co-Chairperson)
Dewar
Knight
McCaffrey
Taylor
Chapman
MacInnes
Glowacki
MacArthur
Scurfield

LIBRARY USERS COMMITTEE:

McInnes
MacInnes

CONSTITUTION:

Little (Chairperson)
Deutscher (Vice-Chairperson)
Bass
Gilmour
Glowacki
Klein
Ward
Dangerfield*
Monnin*
Smith*
Chapman
MacInnes
Cuddy
Gindin
Hall
Toal
Adams*
Sheldon*
Frayer
Sims

PUBLIC RELATIONS:

Hall (Chairperson)
Chapman
Werier
Wood
Stoffman*/Guertin* (Co-Chairperson)
MacInnes
Shead, W.

LEGAL SERVICES INFORMATION AND LAWYER REFERRAL:

Taylor (Chairperson)
MacInnes
Menzies
Toal
Chapman
Anderson, R.
Sardiwalla/Beard

LEGAL AID LIAISON:

Gindin (Chairperson)
MacInnes
Irwin
Chapman
Campbell

MANITOBA LAW SCHOOL FOUNDATION:

Shead, R. (Chairperson)
Macmillan*
Edwards*
Anderson, T.
McCawley (Secretary/Treasurer)
Pollack*
Harvey*
Chapman

DATABASE:

Coke* (Chairperson)	Bass
Pappas	Shead, R.
Rodrigue*	Gillespie*
Hill	Guertin*

MANITOBA JUDICIARY/BENCHERS LIAISON:

Philp, Justice (Chairperson) (resigned June 18, 1987)

Simonsen, Justice	Foster
Scurfield	

* denotes non-bencher

1. Executive and Finance Committee

The Executive and Finance Committee has general supervision and responsibility for all business of the Society, all matters not specifically assigned by the Rules to a standing or special committee. In addition, it is responsible for the budget placed annually before the Bench and manages the finances of the Society during the year.

The past year saw many developments and events that affected the Law Society, the legal profession and the administration of justice. It was noteworthy that during the course of one year the Province of Manitoba has been served by three different Attorney-Generals. We have maintained a close relationship with each of them. The Society's Executive Officers and the Executive and Finance Committee found it necessary to consider, from time to time, matters relating to the Manitoba Law Reform Commission and proposed changes to same by the Government of Manitoba. The thrust of the changes proposed by the Government was to abolish the Law Reform Commission over a period of time. The Executive and Finance Committee, after considering the matter, recommended to the Bench that the Society go on record as opposing this particular government initiative.

On a happier note, the past year saw the opening of the new Court Complex at Broadway and Kennedy. The official opening was on January 21, 1988. Manitoba now has one of the finest Court Complex's in Canada and the Society was pleased and proud to take part in the commemorative ceremonies.

The Legal Profession in Manitoba has been provided with much greater space in the Court Complex for robing room facilities. The Executive and Finance Committee contributed to the amenities of the new robing room area for both men and women barristers by expending considerable funds for furnishings. As well, the Executive and Finance Committee authorized the expenditure of funds for new and better furnishings for the Brandon Court House barrister's robing room facilities.

The Executive and Finance Committee, in conjunction with the Personnel and Fiscal Management and Admissions and Education Committees considered certain significant proposals for change to the Legal Studies Department of the Society. Particulars of these changes will no doubt be referred to in other portions of this Annual Report but essentially the approved changes will upgrade the Bar Admission Course material for years to come and will provide a much needed computer capacity for the Legal Studies Department.

In its continuing efforts to ensure that the Society's investigative capacity both with respect to discipline and client trust account spot audit functions remains sound and adequate the Executive and Finance Committee authorized the hiring of a new compliance officer. Mr. Gordon Bradley was appointed as the Society's Compliance Officer on February 15, 1988. Mr. Bradley replaced Mr. Robert Martell who had resigned some months earlier.

Although there was a slight increase in annual fees for the practising year, generally speaking the Society's financial picture continues to be good. The slight increase in overall fees and assessments was made necessary by virtue of the Society's Claims Fund experience the previous year and the Society's efforts to continue to improve the Legal Studies Department which efforts are above outlined. The fees and assessments for the year total $1635.00 which was made up of a $1,000.00 assessment for the Claims Fund, an amount of $560.00 by way of general levy for the support of the Society's offices and governess activities and an assessment of $75.00 towards the Society's Reimbursement Fund. The totality of the fees paid by the members of The Law Society of Manitoba continues to be one of the smallest membership fees in Canada.

During the past year, the Executive and Finance Committee authorized the creation of three new Special Committees, which Committees could have a real significance and impact upon the future of the legal profession in Manitoba. The creation of the "Special Committee on the Integration of the French Language" (a joint effort by the Society to discharge its institutional obligations to the use of both official languages in the administration of justice in the Province of Manitoba. The establishment of the Manitoba DataBase Committee (also a joint committee with the Manitoba Bar Association) is an endeavour by the Society to ensure that the legal profession in Manitoba receives reasonable access to government and public information that is reliable and accurate, all upon a reasonable cost. The formation of a "Special Committee on Paralegals and Unauthorized Practice" is an effort by the Society to review the various methods and cost of delivery of legal services to Manitobans including a review as to what role can be played in such delivery by non-professionals. It is hoped that this Committee can provide a blueprint for the growth of the legal profession in both traditional and non-traditional areas of delivery of legal services to the public.

On March 24, 1988 Graeme Garson submitted his resignation as Chief Executive Officer of the Society such resignation to take effect as of July 1, 1988. The Executive and Finance Committee did authorize the formation of a Search Committee to find a new Chief Executive Officer.

We would be remiss if we did not take this opportunity to extend to Graeme Garson the sincere best wishes of the entire profession to him in the future, and to thank him for his services as Chief Executive Officer. His understanding of the problems which from time to time arise, and the conscientious performance of his duties have been of immeasurable benefit. He has faithfully served the profession and the public. His guidance and counsel to members of the Society, the Benchers and the Officers will always be remembered with gratitude.

We also wish to acknowledge and thank all of the staff members of the Society. We are fortunate to have a most capable and devoted staff. Other

jurisdictions in Canada envy us the quality of the individuals that we have been able to attract. Their efforts are sincerely appreciated.

Jack M. Chapman, Q.C.
President

2. Discipline Committee

The Discipline Committee met every two weeks over the past year as well as on other occasions to deal with urgent matters at additional special meetings.

The Committee considered 380 complaints. Of these, 238 appeared on the "B" agenda while 142 were more serious matters which appeared on the "A" agenda. The most frequently expressed complaints were delay (118 complaints); excessive fees (73 complaints); failure to keep clients informed (51 complaints); failure to respond to telephone calls and letters (50 complaints).

In addition to dealing with complaints, the Discipline Committee responded to 33 requests from members of the Society for practice directions and dealt with 43 other matters which came before the Committee on its own motion. The vast majority of the latter came before the Committee as a result of information received from spot audits and annual solicitor's reports. Of particular interest may be the fact that the Society's "policing" capability insofar as members' accounts are concerned was assisted this year through the addition of a part time staff member whose work contributed to the Society's becoming aware of an increased number of difficulties in respect of accounts. Over the course of the year, there were several appearances by solicitors before the Committee to explain the state of their accounts and to undertake to ensure that their accounts complied with the Rules. This included an audit of the member's trust account which was done by chartered accountants at the expense of the member.

Three charges were authorized in respect of the Rules Respecting Accounts and at the end of March, 1988, there were still two of the "account" situations as yet undisposed of by the Discipline Committee and one by the Judicial Committee.

In respect of other charges that were authorized, they included two charges involving the swearing of false declarations; one charge of not keeping a client informed; four charges of failure to respond to 14-day letters; one charge of failure to co-operate with insurers; two charges arising from breach of trust conditions and undertakings; and one charge of misleading the Discipline Committee.

In addition to the foregoing, four Formal Cautions were administered and three Custodial Orders were authorized during the course of the year. Also a Resolution involving franchising was passed by the Committee and forwarded then to the Bench for consideration.

The Committee also had the task of formulating a position arising from the recent allegations of obstruction of justice by certain members of the Society and members of the Judiciary. The Society resolved on January 18, 1988 to permit criminal charges to proceed before the Society intervened. On this subject, and after a special meeting in which the alternatives available to

the Committee were discussed, including the notion of interim suspension of members who had been charged, the Committee issued the following statement:

> "The Law Society views the charges laid against the members, if proved, as being of a very serious nature. The Law Society must walk a fine line, bearing in mind the presumption of innocence and the right to a fair trial to which every citizen, whether lawyer or layman is entitled and the Society's mandate to protect the public interest. On the information presently available, it does not appear that the public is at risk and The Law Society is of the view that members charged ought to be entitled to the same presumption of innocence and right to a fair trial as any citizen. The matter will continue to be monitored by the Society, and should information come to light which is not currently available to the Society, the Discipline Committee of The Law Society is prepared to reconvene to further consider the matter."

At the end of this year, any issues arising from the charges, (which have now been stayed), remain to be dealt with by the new Discipline Committee.

Finally, one practice direction was authorized by the Committee over the past year. This direction reminded members of their obligation to promptly pay for authorized medical reports and other expert and professional accounts incurred during the course of a member's acting on a matter.

I would like to extend my thanks to those Benchers who served on the Committee over the past year and in particular Cheryl Hall for her assistance as Vice-Chairperson throughout the year. I would also wish to extend the Committee's thanks to members of the Law Society staff, and in particular Dianna Scarth, Deborah McCawley, Judith Webster, and Graeme Garson Q.C., for all of the work which they provided between Discipline Committee Meetings and for their advice and expertise during the course of such meetings.

Robert A. Dewar
Chairperson

3. Standards Committee

The Standards Committee held eight meetings between April 1, 1987 and March 31, 1988. Nine members and one law firm were considered by the Committee during that period.

Two investigators were retained by the committee to further its investigation of a firm's standard of practice by reviewing client files pursuant to Section 45.1 of The Law Society Act. On the basis of the investigator's reports and the recommendations of counsel, charges were authorized against one member of the firm.

Two members were referred to the Discipline Committee because in the Committee's view the concerns in both cases related to the propriety of the members' conduct rather than to their competency.

Three sub-committees were appointed to meet with members pursuant to the "fireside chat" rule and to report to the Committee with appropriate recommendations.

The Committee dealt with several matters throughout the year which related to issues broader than complaints against individual members. For example, the Committee distributed to the profession a practice recommendation drafted by one of its members concerning mortgage forms which had recently been introduced by the Land Titles Office. In response to concerns regarding difficulties which members of the profession are experiencing in gaining access to up to date statutes and regulations, the committee requested that the Director of Professional Standards investigate the matter and suggest steps which may be of assistance to the profession in dealing with this problem.

Perhaps the most significant example of broader issues dealt with by the committee during the past year was the formation of a sub-committee, chaired by Mr. S. Wilder, which was given the mandate of assessing the effectiveness of the Standards Committee to date (and recommending changes if necessary); and of considering the relationship between the position of Director of Professional Standards and the Standards Committee. In an interim report presented in January 1988, the sub-committee recommended that the Standards Committee become entirely remedial in nature. After reviewing data concerning the committee's performance since its inception in 1981, and information obtained from other jurisdictions, it was the sub-committee's view that the committee would be more effective and better received if it dropped the power to charge and adopt totally remedial objectives, becoming proactive rather than reactive and in general becoming more accessible to the profession. The committee will be receiving and reviewing the final report from the sub-committee at its May meeting.

We thank Dianna Scarth, Judy Webster, Deborah McCawley and Graeme Garson for their invaluable assistance throughout the year.

Colin R. MacArthur
Bryan D. Klein
Co-Chairpersons

4. Judicial Committee

The Judicial Committee met on seventeen occasions between April 1, 1987 and March 31, 1988. During those meetings eleven matters were resolved and a preliminary motion was disposed of.

1. On April 9, 1987 James Douglas Deans was found guilty of charges of professional misconduct in that with respect to a series of land transfers he:

a. Affixed his signature as the subscribing witness to the signatures of the transferors on transfers of land documents when in fact he had not witnessed the transferors affix their signatures to the documents.
b. Swore as affiant before a notary public or commissioner for oaths affidavits of execution contained in the transfers of land in which he swore that he had seen the transferors execute the transfers of land when in fact he had not.
c. Signed as a notary public the dower affidavits contained in the transfers of land thereby purporting to signify that the affiants had sworn the affidavits before him when in fact they had not.

In consequence, the Judicial Committee resolved that the member be reprimanded, that he be assessed a fine in the amount of $2,200.00 and costs in the amount of $300.00.

2. On April 22, 1987 a member was found not guilty of a charge of professional misconduct in that he failed to comply with the requirements of Rule 18(4) of the Rules of The Law Society of Manitoba by failing to file with the Law Society a written answer to a complaint made against him within 14 days from the date upon which he received a letter from the Society enclosing a copy of the complaint and requesting his response.

3. On May 21, 1987 Theodore Patrick Besko was found guilty of a charge of professional misconduct in that he failed to comply with the requirements of Rule 18(4) of the Rules of The Law Society of Manitoba by failing to file with the Law Society a written answer to a complaint made against him within 14 days from the date upon which he received a letter from the Society enclosing a copy of the complaint and requesting his response.

In consequence, the Judicial Committee reprimanded Theodore Patrick Besko.

4. On May 21, 1987 Edward Wolodymer Demkiw was found guilty of a charge of professional misconduct in that he failed to comply with the requirements of Rule 19(7) of the Rules of The Law Society of Manitoba by failing to file with the Law Society a written answer providing the information required by the Discipline Committee with respect to his financial affairs within 14 days from the date upon which he received a letter from the Society enclosing a copy of the requirements and requesting his response.

In consequence, the Judicial Committee resolved that the member be reprimanded.

5. On June 8, 1987 Paul Victor Walsh was found guilty of charges of professional misconduct in that he:

a. Failed in his duty to show courtesy and good faith to his fellow lawyer by failing to respond to written correspondence on four occasions.
b. Failed in his duty to show courtesy and good faith to his client by failing to respond to telephone messages and correspondence.
c. Failed to comply with the requirements of Rule 18(4) in that he failed to file a written answer to the Law Society within 14 days.

In consequence, the Judicial Committee resolved that, with respect to Count 1, Paul Victor Walsh be assessed a fine in the amount of $1000.00 and costs in the amount of $300.00; with respect to Count 2, fined $2000.00; and with respect to Count 3, that he be reprimanded. The Judical Committee further resolved that there be publication to the profession of the member's name, the nature of the offence, and the committee's disposition.

6. On September 29, 1987 John Charles Brown and Barry Allan Roy were found guilty of a charge of professional misconduct in respect of certain violations of the Rules Respecting Accounts. In consequence, the Judicial Committee resolved that the members be reprimanded, that they be assessed, jointly, costs in the amount of $600.00, and that for the next twelve months, they submit to the Law Society a monthly trial balance pursuant to Rule 62(2). Additionally, in accordance with Rule 22(11), the Judicial Committee resolved that notice, given to the profession only, include the names of the members, the nature of the charge, the penalty, conditions and costs.

7. On November 13, 1987 Donald Melvin Dunlop was found guilty of professional misconduct in that he failed in his duty to serve his client in a conscientious, diligent, and efficient manner by being unduly dilatory in the defence and counterclaim to a Statement of Claim, in failing to keep his client

informed as to the status of the said defence, and in misleading the client as to the status in order to cover up neglect.

In consequence, the Judicial Committee resolved that the member be fined $3000.00, and that he be assessed costs in the amount of $500.00. The fine and costs are to be paid at the rate of $500.00 per month commencing December 1, 1987. Additionally, in accordance with Rule 22(11), the Judicial Committee resolved that notice, be given to the profession only, include the name of the member, the nature of the charge, the penalty and the costs.

8. On January 19, 1988 James Michael David Bomek was found guilty of a charge of conduct unbecoming a barrister and solicitor in that with respect to a compromise arrangement between himself and a major creditor he declared:

a. That his worldwide income and assets were listed in Schedule "A" to a statutory declaration, whereas he omitted to state he owned shares in two Manitoba corporations; and
b. that his liabilities were listed in Schedule "B" to a statutory declaration whereas he omitted to set out a liability by way of loan of $22,000.00

In consequence, the Judicial Committee resolved that the member be reprimanded.

9. On January 28, 1988 Fermie Sharon Wilder was found guilty of a charge of professional misconduct in that she failed to file a written answer to a complaint made against her within fourteen days of the date upon which she received a letter from the Society.

In consequence, the Judicial Committee resolved that:

a. The member be reprimanded.
b. That the member pay $125.00 to the client for costs incurred by the client in having other counsel complete the transaction.
c. That publication be made to the profession, and to the complainant.

10. On August 17, 1987 Warren Shaver Eadie, was found guilty of professional misconduct and was disbarred. A Notice of Appeal was dismissed by the Court of Appeal on the 16th day of March, 1988.

This decision was subsequently reversed and on June 27, 1988 the Manitoba Court of Appeal dismissed an application by The Law Society of Manitoba to have Mr. Eadie's appeal dismissed for undue delay. The matter remains before the courts.

11. A preliminary motion brought by a member to challenge the Committee's jurisdiction to hear a matter was dismissed by a panel of the committee. The member then applied for an order of prohibition in the Queen's Bench. The application was dismissed. An appeal will be heard in The Court of Appeal in October.

12. On August 19, 1987 the charges against a member were withdrawn when the committee was unable to meet the quorum requirements.

Attendance at Judicial hearings continues to be a perennial problem. Counsel are requested to consent to a hearing by three panel members on all occasions but are often unwilling to comply. The work of the committee is extremely important and it is becoming harder to secure the necessary five members. The Bar may wish to consider amending The Law Society Act to provide for a smaller quorum.

Particular attention should be paid to the contribution to the Committee by retiring Co-Chairperson Julian Glowacki, Q.C. who attended thirteen of the seventeen meetings including all set downs.

Lawrence McInnes
Co-Chairperson

5. Professional Liability Claims Fund Committee

During the Committee's meetings during the year, it considered and decided the following matters:

a) the Society's relationship with its insurance broker and a actuary;

b) the renewal of the property insurance coverage of the Society;

c) the renewal of the insurance of the reimbursement fund in an amount of $10,000,000.00 with a deductible of $750,000.00 and a per member premium of $58.16 for private bar lawyers and $29.08 for institutional lawyers.

d) the participation by the Society in a national program of mandatory liability insurance, the Canadian Lawyers' Insurance Association (C.L.I.A.), which remains under consideration.

The primary terms of the Professional Liability Claims Fund Provisions for the period April 1, 1987 to March 31, 1988 were as follows:

Member entitlement:	$250,000.00
Member reimbursement:	5,000.00
Member mandatory assessment:	850.00
	all of which is payable to the Law Society Fund.

At the March, 1988 meeting, the Society adopted, effective April 1, 1988, provisions for the payment of professional liability claims from its claims fund, with the same member entitlement and member reimbursement as in the year previous, but with an increase in the member mandatory assessment to $1,000.00.

David G. Hill
Richard G.S. Shead
Co-Chairpersons

6. Admissions and Education Committee

The Committee has responsibility in the following areas:

1. Bar Admission Course (B.A.C.) education-admissions criteria and, subsequently, both articling and academic components.
2. Continuing Legal Education (C.L.E.) for practitioners and others.
3. Return to active practice of members not currently holding active certificates.
4. Direct transfer from active practice outside Manitoba.

There is also peripheral involvement in legal education for the public on an **ad hoc** basis.

I. Bar Admission Course

General

Eighty-seven students enrolled in the 20th Bar Admission Course, which began in May, 1986. During the year one student withdrew and no students failed. Eighty-six were called to the bar on June 27, 1987.

The A. Montague Israels Prize for the outstanding student in the 20th Bar Admission Course was awarded to Paul Donaldson Edwards. He received his prize from Mr. Justice Guy Kroft at the call to the Bar ceremony.

The sub-committee struck to examine ideas for distributing the surplus in the Israels Prize Fund recommended the establishment of two bursaries, each in the amount of $400.00, for worthy Bar Admission Course students, which recommendation was accepted. Application forms were duly prepared and notices posted requesting applications. A number of applications were received and the bursaries were subsequently awarded by a selection committee to two members of the 21st Bar Admission Course.

The 21st Bar Admission Course commenced in May, 1987. There were eighty-three students of whom eighty-two were still enrolled as at March 31, 1988.

Melanie Lautt, previously the third year student bencher, was elected Bar Admission Course bencher for the 21st Bar Admission Course. Ross Antymniuk was chosen as the third year bencher. Both made notable contributions to the committee during the year.

A committee of students in the 21st Bar Admission Course was formed for the purpose of improving communications between the students and the Director and Assistant Director. The chairperson of the committee was Melanie Lautt and a considerable number of matters were raised by the committee, including mandatory B.A.C. attendance, the development of more skills training exercises and matters relating to the articling component.

In order to assist Course Heads and Instructors a system of evaluation was developed by the Director and the Assistant Director. A number of students were appointed as evaluators for each teaching day. Margaret Anne MacLeod prepared the evaluation forms and administered the program. Ms. MacLeod tabulated the results from the evaluation forms and submitted them to the Course Heads and Instructors. Separate meetings were held at the conclusion of each course between the Course Head and Instructors and the student evaluators, along with either Ms. MacLeod or Mr. Gorsky, where the evaluations were discussed and suggestions made and discussed for improving each course.

The sub-committee on articling met once during the year. Steps were taken by the Director to involve principals in aspects of the teaching portion of the Bar Admission Course. Principals were requested to supervise three interviews conducted by articled students. In addition, they were requested to communicate any concerns that arose during the articling component to the Director or Assistant Director. Students were encouraged to communicate any difficulties they were experiencing during the articling component. The work of the committee is to continue and the Director is to keep the committee informed of what transpires at an articling conference that he was invited to attend by The Law Society of Upper Canada. A great deal of work is being done in Ontario to examine ways of improving the articling component and the results are to be reported to the committee.

Course Changes

Brian Pauls served as Director of Education to August 31, 1987 and Margaret Anne MacLeod served as Assistant Director throughout the year. Anna Faulkes has very capably served in the capacity of secretary-registrar throughout the year. Morley Gorsky assumed the new position of Director of Professional Standards on July 1, 1987, and continues in that position.

There were no major personnel changes affecting the academic component of the Bar Admission Course. Major changes were begun in the academic component of the 21st Bar Admission Course with a view to increasing the amount of time devoted to training students in some of the skills employed by lawyers (e.g. drafting, advocacy). With the co-operation of Course Heads and Instructors less time is to be devoted to formal lecturing and more time is to be spent on the performance of skills exercises based on the kinds of work done in an actual practice setting. The class was frequently broken into seminar groups which attempted to solve the kind of problems encountered in law offices. Also, more emphasis was placed on the demonstration of a variety of practice skills performed by lawyers.

Emphasis on skills training is to be continued, however, changes will be introduced in a conservative manner. Commencing with the 21st Bar Admission Course, the Wills and Estates segment has been used, and will continue to be used, as the pilot course for further skills training. First steps were taken to introduce different skills into each teaching day devoted to the Wills and Estates Course which was conducted in January, 1988. Each teaching day featured a different skills exercise. This process will be enlarged upon in the 22nd Bar Admission Course where five skills exercises will be performed by students, all under the supervision of experienced practising lawyers. Students will be presented with a file for each segment, containing materials that a lawyer would have before him/her when undertaking a particular task. Exercises will include: drafting wills; taxation of executors' accounts, a committeeship application and an interviewing/counselling exercise.

As evaluation and feed-back are fundamental to the success of a skills training program it will be necessary to obtain the services of a considerable number of additional instructors. In order to ensure a uniform standard of evaluation instruction manuals will be prepared for each of the skills segments and the evaluators will have to attend training sessions.

The Course Heads of all of the other courses will be introducing a single skills exercise as part of their courses which will be patterned on the exercises introduced in the Wills and Estates course: e.g. Family Law – motions practice; Criminal Procedure – examination of a police witness (with the co-operation of the Winnipeg Police Department); Civil Procedure – an opening statement.

In order to encourage regular attendance without the necessity of resorting to a mandatory requirement Course Heads have been requested to prepare short machine-markable content tests to be given at the end of each Bar Admission Course day. These tests will be worth five marks each and are intended to provide an incentive for students to keep up with the course on a day-to-day basis rather than cramming for the final exam.

Because of the reduced emphasis on formal lecturing, the Bar Admission Course materials will be re-written, indexed and edited. These materials are to be edited so as to permit annual updating through the use of inserts. In this way, the materials will not become out-dated and can serve as a continuing practice aid. Authorization was given to permit the hiring of a lawyer/editor for the Bar Admission Course materials.

Authorization was also given for the purchase of videotaping equipment which will be used to videotape student advocacy exercises. The equipment will also be used to videotape demonstrations by lawyers, which tapes will be kept on file, thus avoiding the need to repeat demonstrations and further

enabling an expansion of the kinds of demonstrations made available to students (and lawyers).

Chief Justice Hewak and Acting Chief Judge Dubienski have authorized a program involving the review of audiotapes from various court proceedings. This will enable students in the Bar Admission Course to obtain reviews of their actual appearances in court and on motions. Principals will be requested to co-operate by furnishing feed-back to their students.

Subject matter of the Bar Admission Course

The core subjects for the 20th Bar Admission Course, were:

1. Criminal Procedure;
2. Real Property Transactions;
3. Corporate/Commercial Transactions;
4. Wills and Estates;
5. Taxation and Accounting;
6. Family Law and Procedure;
7. Civil Procedure;
8. Skills Training;
9. Ethics and Professional Responsibility.

Administrative Law was added as a core subject for the 21st Bar Admission Course.

Evaluation of the first seven segments was by written examination (graded pass, marginal or fail) for the 20th Bar Admission Course. The 21st Bar Admission Course made provision for awarding up to 50% credit for classroom performance. Skills Training is evaluated by means of assignments alone and Ethics and Professional Responsibility continues to be graded by panels of oral examiners.

The Skills Training portion of the course in the 20th Bar Admission Course involved such areas as Interviewing and Counselling, Office Skills, Negotiation and Appearing Before Administrative Tribunals. Only the Office Skills and Negotiation segments were retained from the 20th Bar Admission Course in an unaltered form in the 21st Bar Admission Course. Even these latter segments will have to be restructured in order to make them meaningful, given the limited time available for such programs. The Negotiation one-day program, involving a negotiating assignment, was ably conducted by Janice Lederman and was well received by the students in the 21st Bar Admission Course. In order to make Interviewing and Counselling a worthwhile exercise, some means will have to be developed for conducting interviews with real clients as opposed to simulated clients. The Office Skills segment of the course conducted by a panel headed by Ian Macmillan was excellent, however, consideration must be given to presenting it at a time when it has more meaning for students. In the past it has been presented at the beginning of the course when students know very little about how a law office operates and are not able to appreciate the excellent information given to them.

Heather Leonoff, Course Head of the Administrative Law segment, made significant changes in the course for the 21st Bar Admission Course. Formerly, students were not evaluated. It is intended to evaluate students on their class performance and by written examination.

In order to make the best use of time consideration has been given to distributing well organized materials on law office management and impo-

sing a requirement that students successfully complete an exam on the subject. The Bar Admission Course is only the beginning of a student's practical training and further skills training in such matters as Interviewing and Counselling and Negotiating as well as Office Skills must be continued as part of "hands-on" C.L.E. Programs.

The grading system in the Bar Admission Course permits students no more than two non-passing grades and requires that students pass any supplementals in order to complete the year successfully.

2. C.L.E.

GENERAL

A summary of presentations offered from April 1987 – March 1988 follows:

Date		No. of Registrants	No. of Materials Sold to Date of Program
1. April 11/87	Real Estate Practice 1987: New Forms, New Responsibilities	273	74
2. April 25/87	Remedies of the Unsecured Creditor	100	30
3. April 29/87	The Art of Cross Examination	92	n/a
4. May 20-23/87	Advocacy – Hecla Island	24	n/a
5. May 2/87	Tax Issues in a Farm Practice (Brandon)	42	32
6. Oct. 17/87	Pensions As Marital Assets	137	53
7. Nov. 20-21/87	1987 Pitblado Lectures	219	48
8. Jan. 19/88	Assisting the Business Client in Obtaining Financing: Government Sources & Venture Capital Programs	82	n/a
9. Feb. 29-May 30/88	The Inns of Court	32	n/a
10. March 10/88	Current Immigration Practice	21	n/a
	TOTALS	1022	237

Materials generated were of excellent quality and they continued to be marketed to the profession after the programs were held, furnishing a valuable on-going service to practitioners.

In a like manner, Bar Admission Course materials offered for sale were extremely well received by the profession.

In order to enhance C.L.E. programs outside of Winnipeg, some programs were videotaped and the tapes were advertised on a rental basis. With the acquisition of our own videotaping equipment it will be possible to videotape almost all of the C.L.E. programs held in Winnipeg.

Pitblado Lectures

In partnership with the Faculty of Law - University of Manitoba and the C.B.A. Manitoba Branch, the 1987 lectures, were held in November chaired by Mr. Justice Wilfred R. DeGraves. The topic was **Evidence: Recent Developments and Directions.** The 1987 Isaac Pitblado Lectures were dedicated to the memory of F. Keith Turner, Q.C.

The guest speaker was Mr. Justice David C. McDonald of the Alberta Court of Queen's Bench who spoke on the "Charter Implications of the Law of Evidence." Papers were also presented by Professor David B. Deutscher, Madam Justice Bonnie M. Helper, Len Fishman and Doug Yard Q.C., Jannine LeMere, Richard J. Wolson, Robert L. Tapper, George B. Dangerfield, Q.C., Morley Gorsky and Dana Nelko.

The program was up to the usual high standard established by the Pitblado Lectures.

Policy

A serious problem encountered in serving all Manitoba lawyers is the difficulty of mounting programs outside of Winnipeg. The Director has established liaison with C.L.E. chairpersons outside of Winnipeg and on-going efforts are being made to remedy this situation. The Director has been co-operating with the C.L.E. chairpersons in mounting local C.L.E. programs. A program on changes in the Provincial Court was to be presented in Brandon, in January, 1988. Due to circumstances affecting the availability of some of the participants this program has had to be postponed. The Director has been working with members of the Northern Bar on the C.L.E. Program for its Spring convention.

With the co-operation of a number of the Manitoba Bar Association interest sections steps are being taken to create long range C.L.E. programs in various subject areas. The Director served on the C.L.E. planning committee for the Manitoba Bar Association Mid-Winter meeting in January, 1988 and is working with the chairperson of the Manitoba Bar Association Mid-Winter Conference to be held in January, 1989 in order to present a co-operative C.L.E. program.

C.L.E. programming will now be planned a year ahead rather than for the current year.

Consistent with the move towards making the Bar Admission Course more skills oriented, an increasing number of Continuing Legal Education programs are to emphasize skills training. Norm Larsen and Rob Walsh, of the Office of the Legislative Counsel, are planning a legal writing course which will extend over several sessions. The course will stress learning by drafting. Individual drafting exercises will be performed by the registrants

and they will have an opportunity of bringing their own drafting for evaluation. The audio tape review program will be made available to lawyers as well as students and it will enable lawyers to have their advocacy skills reviewed on an on-going basis. The ultimate goal is to have videotape facilities available for this purpose. The Hecla Island Advocacy Training Program will be continued as it offers lawyers an opportunity to have their advocacy skills reviewed in a controlled setting. Other "hands-on" C.L.E. programs being planned are: the use of computers in a law office, and law office management. A practical evidence course is to be tested in Professor Deutscher's intensive criminal law course. If it is successful, it can be offered not only in the Bar Admission Course but also as a C.L.E. course.

A computer assisted Income Tax Course is to be offered as a C.L.E. program.

Remedial Education

The Director has been meeting with a sub-committee of the Standards Committee to discuss means of offering remedial education to lawyers who have been experiencing standards difficulties.

Public Legal Education

The Director spoke to a group of high school students as part of the Law Festival in November, 1987 and also spoke to the School Trustees' Association in January, 1988 on the subject of labour law.

3. Return to Active Practice of Members not Currently Holding Active Certificates

One member who applied in the summer of 1987 was directed to take the entire Bar Admission Course in 1987-88, including articling and examinations, with the exception of the Criminal Procedure course. He performed well and on certain representations being made on his behalf and by himself personally, based on personal extenuating circumstances, he was permitted to audit the balance of the course.

One member, who also applied in the summer of 1987, was directed to audit the Bar Admission Course in 1987-88 and was required to be associated with a practising lawyer during the Bar Admission Course year.

Several other members were permitted to return to practice on paying the requisite fees and assessments. The committee continues to view each such application on its own merits.

4. Direct Transfer from Active Practice Outside Manitoba

These applications generally fall under Rule 44 and are dealt with from time to time by the committee. There were five such applicants who wrote the transfer examination, passed it, and were called to the Bar.

Until October 31, 1986, active Saskatchewan practitioners were able to avoid writing the transfer examination by virtue of a reciprocal proviso in Rule 44. The proviso was deleted by the Bench, concurrently with The Law Society of Saskatchewan's decision to like effect. Because of an overlapping application two Saskatchewan practitioners were called to the Bar under provisions of the new deleted Rule 44.

One transfer applicant was called to the Bar pursuant to Rule 46(1).

During the year the committee supplied grants to the Manitoba Law Journal and to the Young Lawyers section of the C.B.A. to host a social event

for the graduating 20th Bar Admission Course students in June of 1987 and to P.L.E.A.

I wish to thank Gavin Wood, Vice-Chairperson and all members of the committee and to the staff of Legal Studies for their efforts throughout the year.

John Scurfield
Chairperson

7. Constitution Committee

Since the last annual report of the Constitution Committee, some of the major matters dealt with by the committee were:

1. Rules were promulgated placing an onus on members to report judgments and proposals in bankruptcy to the Society;
2. An amendment to Rule 70.3 as it pertains to matters and concerns relating to the franchising of law practices was passed;
3. A rule providing for occasional calls was passed;
4. The committee issued practice direction with respect to the propriety of non-lawyers using firm business cards, the destruction of clients' files (**Central Trust** v. **Rafuse**) and the impropriety of designating on firm letterhead membership in other Bars without holding a practising certificate in respect thereof;
5. Act amendments providing for amendments to The Law Society Act regarding bencher elections are before the Legislature and it is hoped they will be passed in the near future;
6. The committee dealt with three cases of unauthorized practice, one of which is currently before the courts;
7. A number of matters continue to be considered before the committee, including the report of a sub-committee on lawyers in mediation, issues concerning the re-entry of judges to the profession, the incorporation of law practices, the desirability of and criteria for Q.C. appointments, the imposition and acceptance of trust conditions by paralegals, statutory exemptions for executive officers, the propriety of non-lawyers appearing on law firm letterhead and revisions to the rules respecting contingency contracts and taxation.

The co-chairpersons wish to express their thanks to the members of the committee who have diligently devoted their time and attention over the course of the past year.

Don Little and
Dave Deutscher
Co-Chairpersons

8. Personnel and Fiscal Management Committee

This Committee which was established in 1986, assumes the responsibilities previously discharged by the Salary Review Committee, a sub-committee of the Executive and Finance Committee appointed yearly to make recommendations as to staff salary matters and increases. In addition, the Committee is charged with a mandate of monitoring the funds and assets of The Law Society of Manitoba and to make recommendations to the Executive and Finance Committee, from time to time, to ensure the better security of such investments and the best possible rate of investment.

In addition to the foregoing, the past year saw the Committee take over the mandate of the Building Management Committee. This Committee was merged with the Personnel and Fiscal Management Committee and all matters relating to the management of the Law Society building are now handled by it.

The Committee spent a significant amount of time and effort in investigating the advantages and disadvantages of engaging the services of a professional money manager to handle the Society's various funds and investments. Mr. Bryan Klein did much of the preparatory work in this regard. The Committee ultimately recommended to the Bench that the firm of Jarislowsky, Fraser & Co. be appointed to manage the Society's investments and that Canada Trust be appointed as custodian of all of the Society's funds. The Bench accepted this recommendation.

The usual staff salary review was completed by September, 1987. The Committee recommended, and the Bench accepted, an overall staff salary increase of 5%. The Committee initiated a major review of the Society's staff pension plan. The Committee is particularly indebted to the substantial work and effort expended by Mr. Richard Shead in doing much of the preparatory work of this review. The Committee concluded its review with a recommendation to the Bench that the Society's staff pension plan, which is a defined benefit plan, is a plan that is essentially fair and advantageous to the staff participants. The Bench accepted the recommendations of the Committee

The Committee reviewed and provided input with respect to certain major proposals for changes to the Legal Studies Department and in particular:

a) made a review of certain job descriptions and considered certain requested salary increases;
b) considered certain aspects as to the proposed creation of the position of lawyer/editor to "inter-alia" edit bar admission course material;
c) made a recommendation as to the acquisition of certain video/computer equipment for the Legal Studies Department.

The past year saw significant staff changes at The Law Society of Manitoba. Mrs. Jessie McPhee retired from her position as Administrative Assistant. Mrs. McPhee had completed 25 years of service with the Society and served approximately 28 different Presidents, including the present Chief Justice of Canada. A reception was held in her honour. Mrs. McPhee's position was filled by Coleen Liewicki. Mr. Brian Pauls, left the Society as Director of Legal Studies and returned to private practice. Mr. Pauls was associated with the Society for a total of 7 years, firstly as Deputy Director of Legal Studies and most recently as Director of Professional Standards. Mr. Pauls was replaced by Mr. Morley Gorsky who was appointed as the new Director of Professional Standards. Mr. Gorsky's appointment was effective as of June 30, 1987. Mr. Gorsky is a graduate of the Manitoba Faculty of Law. He has practiced law in both Manitoba and Ontario and has been a member of the Faculties of Law of Queens University and the University of Western Ontario.

As the foregoing indicates, the Committee has had a very heavy agenda and has accomplished a great deal of work. The Society is indebted to the time and effort expended by the Committee members namely, David Frayer, Q.C.,

Bryan Klein, Cheryl Hall, Richard Shead, and ex-officio committee members Jack Chapman, Q.C. and Alan MacInnes, Q.C.

Hymie Weinstein, Q.C.
Chairperson

9. Legal Services Information and Lawyer Referral Committee

The past year saw significant and substantial changes to the operation of the Legal Services Information and Lawyer Referral program of the Society. Lengthy discussions and negotiations with the Community Legal Education Association (C.L.E.A.) were successfully concluded by way of an Agreement of September 23, 1987 between the Society and C.L.E.A. The essential terms of the Agreement are as follows:

1. The Legal Services Information and Lawyer Referral program previously maintained and operated solely by the Society will hereafter be maintained and managed by the Society and C.L.E.A. by way of a Management Committee of four persons to be constituted by two representatives of each the Law Society and C.L.E.A.;
2. The program is to be operated by C.L.E.A. from its premises;
3. Ms. Mary Troszko will continue to be a Society employee but will manage the program at the C.L.E.A. premises under the direction of the Management Committee;
4. In addition to funding Ms. Troszko's salary, the Society has undertaken to pay a minimum annual grant of $20,000.00 for a period of three years. The Agreement took effect on October 1, 1987 and continues until March 31, 1990, unless earlier terminated in accordance with certain provisions in that regard.

J.F.R. Taylor, Q.C.
Chairperson

10. Ethics and Professional Responsibility Committee

The Committee met a number of times over the past year and considered the following issues:

1. THE ROLE OF PARALEGALS. This has been dealt with throughout the year in the form of obtaining data, reviewing position papers and meeting with certain interested parties. No conclusion has been reached and it shall remain for the next Committee to deal with this issue, which the Committee feels is of utmost importance both in terms of ensuring that those providing legal services are well governed and the public is protected from those who are unauthorized to practice. The Committee authorized the appointment of a special committee to further study this issue over the coming year.

2. THE C.B.A. CODE OF PROFESSIONAL CONDUCT. A Subcommittee continues to review this and will be making recommendations as to whether and in what form the Society should adopt the new C.B.A. Code which was approved by the C.B.A. in August, 1987.

3. GUIDELINE FOR MEDICAL/LEGAL REPORTS. The Committee reviewed a report from the joint Committee of the Manitoba Bar Association and the Manitoba Medical Association. While the Committee found that the report would be very useful to the profession, it was decided that the Committee was not in a position to adopt it as part of the Rules of the Society and therefore no further position was taken with respect to it.

4. SEARCHES IN LAWYER'S OFFICES. This was considered by the Committee and a Practice Direction was approved and circulated to the Profession.

5. PROPRIETY OF LAWYER'S CHARGING FOR CERTAIN SERVICES. The Committee considered the differentiation between those expenses which were generally undecided as part of office overhead and those which are normally charged as disbursements, particularly those which could specifically be attributed to a particular client. The relevant provisions of the Code of Professional Conduct were reviewed and it was resolved that the guideline for the members should remain those which falls within the ambit of the Code, namely: one may charge those disbursements which are fully disclosed, fair and reasonable.

6. PREPAID LEGAL SERVICE PLANS. Towards the end of the Committee year, the Committee dealt with a particular prepaid legal service plan, but also expanded consideration to encompass what guidelines, if any, should govern our consideration of these plans in general. Discussions with respect to this are continuing.

The Committee has been fairly active over the last year and I would like to take this opportunity to thank the Committee members for their attendance and their special work on the various sub-committees.

George Bass
Chairperson

11. Legal Aid Liaison Committee

The Legal Aid Liaison Committee met only once in the past year at the request of the Executive Director of Legal Aid and served to update the Law Society about certain changes and proposed programs. Consideration was given as to whether this Committee had outlived its usefulness, but it was the opinion of all concerned that it should be maintained as it provided the necessary vehicle whereby such meetings could be held from time to time as may be necessary. Recognition was given to the fact that some of the proposed changes in Legal Aid would have a direct impact on all lawyers in the province and a committee should exist to deal with the inevitable problems.

The chairperson met on several occasions with the Executive Director of Legal Aid, and others, concerning the new Legal Aid Tariff. Many charges were suggested and adopted by Legal Aid as a result of these meetings.

Jeffrey Gindin
Chairperson

III. RELATED ACTIVITIES AND REPORTS

1. Joint Public Relations Committee of the Manitoba Bar Association and The Law Society of Manitoba.

The Public Relations Committee has concentrated its efforts this year on the preparation of a pamphlet relating to fees. A draft was prepared early in the year, using as a helpful guideline a pamphlet published by The Law Society of British Columbia. The draft pamphlet was forwarded randomly to certain members for comments.

The draft was reviewed many times by the committee with a view to refining the language and simplifying it, the goal being to produce a pamphlet which was readily understandable by the lay person. The lay Benchers on the committee were particularly helpful in this area.

The pamphlet is, but for a few finishing touches, ready for publication and circulation.

What had been set up as a second area of endeavor for the committee last year was eventually combined with the first. A comprehensive list of questions that clients should ask their lawyers about fees at an early interview had been prepared, reviewed, and printed with a view to distributing the list through the Law Society. However, it was eventually decided to include the list within the aforementioned pamphlet.

Cheryl Hall and
Sylvia Guertin
Co-Chairpersons

2. Manitoba Law School Foundation

The Manitoba Law School Foundation was founded by private enactment of the Manitoba Legislature in 1965 for the purpose of enhancement and advancement of the Manitoba Law School and for the advancement of legal education and research or other objects considered beneficial to or in the interests of the legal profession and the public.

The members of the Foundation are two nominees of The Law Society of Manitoba, two nominees of the Manitoba Bar Association, two nominees of the Manitoba Law School and one nominee of the Senate of the University of Manitoba.

During the past twelve months the Board of members met four times.

The Foundation currently oversees the investment of approximately $100,000.00 of assets, $65,000.00 of which represents the capital of the Foundation's own endowment fund and the remaining $35,000.00 represents capital of specific funds that have been established over the years in respect of which the Manitoba Law School Foundation acts as custodian and trustee.

Some of the more notable activities of the Foundation over the past year were:

1. establishment of an additional Israels bursary fund to provide up to two bursaries per year for financially needy students in the Bar Admission course with an initial capital funding of $8,000.00;
2. approval of a $6,000.00 capital project being undertaken by the Manitoba Law School for the purpose of creating an "oral history" legal archives in the Law School;

3. finalization of the establishment of the Garth Erickson Memorial Fund;
4. participation in a special committee established by the Law Society to develop an overall financial assistance program for Bar Admission students.

Richard G. Shead
Chairperson

3. The Federation of Law Societies of Canada

The annual meeting of the Federation of Law Societies of Canada was held at Ottawa, Ontario on August 23, 1987. Jack T. Edwards, Q.C. of Vancouver, British Columbia was elected President of the Federation for the year 1987-88 and Laura L. Legge, Q.C. of Toronto, Ontario was elected Vice-President.

During the past year the Federation dealt with many matters of national concern to the governing bodies. Of particular interest was the formation of the Canadian Lawyer Insurance Association (C.L.I.A.) to consider the establishment of a national professional liability insurance program of which The Law Society of Manitoba is one of the founding members. Considerable support for the program has been received across the country and it is anticipated that it may be operational by July, 1988.

A workshop on "Competence, Standards and Loss Prevention" was held on August 22, 1987. The Secretaries and Executive Officers of the governing bodies met on August 24, 1987. In accordance with an earlier recommendation that such meetings become a regular occurrence the Presidents and Vice-Presidents held an informal breakfast meeting to discuss areas of mutual interest and concern.

During the fall a workshop of those involved in the areas of lawyer discipline and competence was held and another was scheduled for the spring. It is expected that these will also become regular meetings organized by the Federation.

St. John, New Brunswick was the location of the mid-winter meeting of the Federation which took place on February 27, 1988. The next meeting of the Federation will take place in Montreal in August, 1988 in conjunction with the annual meeting of the Canadian Bar Association.

Deborah J. McCawley
Deputy Chief Executive Officer

4. Legal Library Resources – Manitoba Attorney-General

Legal Library Resources was established in February, 1986 as an amalgamation of the Attorney-General library and Department office libraries with the support of the former Law Society of Manitoba court house libraries program.

Legal Library Resources coordinates all activities of the Great Library and the Attorney-General's Library in Winnipeg, and the four Court House Libraries in Brandon, Dauphin, The Pas, and Thompson. Collection development and maintenance for all Attorney-General program offices throughout

Manitoba, plus the Queen's Bench/Court of Appeal and Provincial Court libraries are also the responsibility of Legal Library Resources.

Major client groups served by these libraries include the Attorney-General's staff, the Judiciary, the practising Bar of the Province of Manitoba, and other legal libraries. The general public is served primarily through the Great Library in Winnipeg, although requests to use the rural court house libraries have also been received in 1987/88.

Objectives of the Legal Library Resources are:

* To provide overall program support to the legal community through effective co-ordination and consolidation of library policies, services, and budget rationalization.
* To co-ordinate purchase of publications for all libraries and program offices.
* To co-operate with other major legal library services in Manitoba for increased cost benefit to the legal professional community.
* To centralize and co-ordinate library acquisitions and collections to meet changing needs.
* To participate in the Attorney-General's Department access to information program by providing reading rooms and bibliographic control of resources.
* To analyze and improve regional information delivery systems so as to rationalize future expenditures consistent with local, regional and central demands.
* To identify surplus or duplicate materials utilizing manual and automated inventory control systems.
* To respond efficiently to requests for legal and quasi-legal information from our library (and other legal library) collections.
* To maintain reciprocal service agreements and policies with other government libraries to ensure co-operative information exchanges.

The Manager of Legal Library Resources maintains communication with and seeks advice from the Legal Library Resources Users' Committee in order to rationalize library services and collections. The Users' Committee consists of 2 representatives each from The Law Society of Manitoba and the Attorney-General's Department, plus the Chief Librarian of the E.K. Williams Law Library, University of Manitoba (Ex-officio):

Legal Library Resources Users' Committee Members 1987/88:

Murray Conklin – Attorney-General's Department
Tom Hague – Attorney-General's Department
Alan MacInnes – Law Society of Manitoba
Lawrence McInnes – Law Society of Manitoba
Denis Marshall – E.K. Williams Law Library

Major Program Activities 1987/88

A "needs assessment" of all publications requirements of all libraries and program offices was conducted during the first half of the fiscal year. Current subscriptions were inventoried and associated costs calculated for the current and previous two fiscal years. The resulting data were computerized, and a detailed needs assessment report produced which was presented to senior Attorney-General staff and Treasury Board with a request for supplementary funding for the ongoing maintenance of subscriptions and purchase of textbooks. Supplemental funding received in January, 1988 was

used to purchase textbooks and subscriptions for all Legal Library Resources libraries in accordance with the **Collection Development Standards for Canadian Courthouse Libraries** of the Canadian Association of Law Libraries. Textbooks and criminal codes were also purchased for all program offices.

Inflationary costs for legal subscriptions, statutory materials and textbooks have been analyzed, some cancellations and transfers of subscriptions made, and recommendations made for future funding.

A central automated inventory of all subscriptions and textbooks has been established and will be updated and enhanced.

Other major activities during 1987/88 include:

* relocation of the Great Library to its former location in the Old Law Courts Building (final moves of collections still to be completed)
* relocation of the Queen's Bench/Court of Appeal library beside the Great Library in the Old Law Courts Building
* planning for expanded space for the Attorney-General's Library in the Woodsworth Building
* automation of monthly financial tracking procedures
* automation of all invoicing procedures
* automation of purchase orders and associated commitment records
* preparation of grant application to the Manitoba Law Foundation in October 1988 for funding for rural court house library textbooks
* establishment of statistical reporting systems for reference services, computer services and technical services (cataloguing and acquisitions). More than 70% of information inquiries in the Great Library originated from the private Bar
* cataloguing of the backlog of textbooks and reports in the Great Library
* planning for establishment of an online catalogue of library holdings
* evaluation of public service policies
* development of staff facility in the use of legal databases (QL, Can/Law, etc.)
* enhancement of co-operative resource sharing through participation in the Canadian Association of Law Libraries, the Manitoba Government Libraries Council, liaison with University of Manitoba and North Dakota law libraries, and other library networks
* establishment of trust funds with The Law Society of Manitoba for the selling of old duplicate rural law reports and the purchase of textbooks for rural libraries
* judicious weeding of duplicate statute materials done in all four court house libraries
* review of library security concerns, particularly in the Brandon Court House Library where a keypad lock was installed
* shelving obtained and transported to Thompson library and entire collection reorganized

Staffing Changes

On March 1, 1987, Marilyn J. Hernandez was hired as Manager, Legal Library Resources, replacing Vicki Whitmell who resigned in October 1986.

Including the Manager, Legal Library Resources has 10 full time equivalent positions.

With the resignation of the Research Librarian this staff year has been re-assigned to Technical Services for the development of an online catalogue

and the consolidation of acquisition procedures. A Library Technician has been hired effective May 16, 1988.

In the rural court house libraries, responsibility for library duties is being assumed gradually by court house staff, rather than casually employed staff. This change began in 1986 in Thompson, in September 1987 in Brandon, and in February 1988 in The Pas. The Dauphin library is still maintained by Helen Zuefle, lawyer. Formal contract library staff have assisted greatly in this transition, and were thanked for their valuable service to our program.

Major Results

The consolidation of the Legal Library Resources program has resulted in identification of major library collections and costs, elimination of unnecessary duplication and transfer of collections to priority service locations, increased training of rural library staff, and development of cooperative strategies between and outside the various Legal Library Resources network.

Future Program Directions

Some ongoing plans include:

* provision of regular acquisition lists of new materials
* development of an online catalogue of library and office collections (this is a multi-year project)
* continued upgrading of all legal library collections consistent with the C.A.L.L. **Collection Development Standards for Canadian Courthouse Libraries**
* continued review and enhancement of service delivery, particularly to rural practitioners (e.g. interlibrary loan, inter-office loan, potential for facsimile transmission)
* enhancement of computer search services
* identification of and co-operative agreements with more legal libraries
* inventories of all holdings of all offices and libraries (not just items currently received)

The ultimate goal is to increase the efficiency and effectiveness of the provision of legal information to priority clientele throughout Manitoba.

Marilyn Hernandez

5. Report of the Auditor-Inspector

With the addition of a part time Auditor-Inspector, John McFarlane, our goal of an audit of every law firm over an eighteen month period appears attainable.

Mrs. Ellie Turner, hired on a part time basis records and monitors audits of firms and prepares monthly schedules so that no firm is overlooked in the stated objective.

A practice instruction concerning methods of accounting for investments made on behalf of clients was circulated to the profession, the objective being to standardize accounting procedures in recording and reconciling these special trust funds.

During 1987 there were 258 visits made to law firms resulting in 161 completed audits. Ninety-seven special visits were made either on instruc-

tions, call backs, or initial visits to new law firms. Of the total audits completed, 37 were to rural practices.

The most recent statistics prepared show the following breakdown of the profession:

As at February 8, 1988		City	Rural	Total
A	Single Practitioners	176	45	221
B	2 - 5 members	80	36	116
C	5 - 10 members	12	4	16
D	10 - 25 members	8	1	9
E	25 - 50 members	7	—	7
F	50 + members	2	—	2
		285	86	371

Gordon Jones and
John McFarlane
Auditor-Inspectors

6. Reimbursement Fund

The Reimbursement Fund was created pursuant to an amendment of The Law Society Act, passed on the 17th day of March 1943. Section 30(4) of the Act requires the Benchers to make a yearly report to the Attorney-General as to the Fund. The report made for the calendar year under review shows that an assessment of $75.00 was made for each member entitled to practise; that all members so assessed paid the assessment or the proper proportion thereof; that the total so paid was $114,396.85; and that during the year interest on investments and bank interest in the amount of $18,933.28 was received.

The Benchers made an assessment of $75.00 for the practising year beginning the 1st of April, 1988.

As at March 31st, 1988, the Fund stood as follows:

Investments at cost	$750,222.00
Cash in bank	69,051.00

For the year under review, the Benchers continued to insure the Fund. The principal provisions of the coverage were:

Term: 1 year commencing April 1st, 1987

Coverage: A. $10 million any one loss
B. $10 million annual aggregate

Deductible: $750,000.00 annual aggregate

Premium: $81,598.48 ($58.16 per member)

During the fiscal year the Benchers authorized payments of $550.00 to one claimant who suffered loss through misappropriation by Aaron Norman Fineman and $60,007.40 to two claimants through misappropriation by Warren Shaver Eadie.

Ryan Sasaki
Comptroller

7. Student Bursaries and Loans

In 1957 the Frank Billinkoff Loan Fund was established with an initial contribution by Mr. Frank Billinkoff. The purpose of the fund was to provide a

revolving fund from which interest free loans could be made to deserving law students to permit them to continue in their studies in law. This year the Benchers of the Law Society approved a loan of $1,400.00 to a Bar Admission Course student in need of financial assistance.

At the same time the Benchers approved a grant of $650.00 from the William E. Driscoll Bursary. This fund had been established in 1984 as the result of a bequest from the estate of Margaret Law to honour and perpetuate the memory of the late William Edward Driscoll.

Earlier in the year the students in the Bar Admission Course had created the Brian Pauls' Emergency Fund to provide financial assistance to Bar Admission students faced with financial difficulties. Shortly thereafter a loan was made to a deserving student in the amount of $300.00.

Having become aware of a demonstrated need for the availability of such funds the Benchers agreed that further consideration should be given to a more comprehensive bursary and loan program over the coming year and a sub-committee was constituted to effect this.

Deborah J. McCawley
Deputy Chief Executive Officer

8. Prizes and Scholarships

Margaret Hypatia Crawford Scholarship
(Highest Standing in Final Year)
Michael John Hicks

Second Prize	Vincent Paul Johnston
Third Prize (shared)	Steven Myles Merrick Clifford G. Proudfoot
Fourth Prize (shared)	Clifford G. Proudfoot Steven Myles Merrick

9. University of Manitoba – Faculty of Law Enrolment

		1987-88
First Year	(including 3 half-time)	**93**
Second Year	(including 2 half-time)	**81**
Third Year	(including 1 half-time)	**84**

10. Annual Meeting

The last annual meeting of the members of the Society was held on June 24th, 1987.

The next annual meeting will be held on June 29th, 1988, at Winnipeg, Manitoba.

AUDITORS' REPORT

To the Members,
The Law Society of Manitoba.

We have examined the condensed balance sheet and the special purpose funds balance sheets of The Law Society of Manitoba at March 31, 1988 and the statements of income and fund equities of the General Fund, Reimbursement Fund, Legal Education Fund, Endowment and Trust Fund, Professional Liability Claims Fund, Legal Studies Program Fund, Law Phone In and Lawyer Referral Fund, William Edward Driscoll Bursary Fund and Brian Pauls' Emergency Fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Society at March 31, 1988 and the results of its operations for the year then ended in accordance with the accounting policies as described in Note 1 applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba
May 26, 1988.

Touche Ross & Co.
Chartered Accountants

THE LAW SOCIETY

(Incorporated under The

CONDENSED BALANCE

ASSETS

	1988	1987
GENERAL FUND		
Cash and term deposits	$ 613,359	$3,622,333
Funds held in trust	107,019	108,495
Accounts and interest receivable	12,631	22,643
Prepaid expenses	3,413	3,328
Investments, at cost (market value $599,512; 1987 — $147,316) (Note 2)	624,920	146,856
Fixed assets, at cost (Note 1)	1,131,049	1,131,049
	2,492,391	5,034,704
SPECIAL PURPOSE FUNDS (Combined)		
Due from General Fund	605,919	3,183,903
Accounts and interest receivable	57,577	104,476
Prepaid expenses	355	82,901
Investments, at cost (market value $3,840,319; 1987 — $866,379) (Note 2)	4,004,408	864,099
	4,668,259	4,235,379
On behalf of the Benchers	$7,160,650	$9,270,083

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OF MANITOBA

Law Society Act of Manitoba)

SHEET AT MARCH 31, 1988

LIABILITIES AND FUND EQUITIES

GENERAL FUND	1988	1987
Accounts payable and accrued liabilities	$ 125,610	$ 121,852
Funds held in trust	107,019	108,495
Fees paid in advance	175,640	196,962
Mortgage payable (Note 3)	878,940	898,045
Due to Special Purpose Funds (Combined)	605,919	3,183,903
	1,893,128	4,509,257
Fund equity — Statement II	599,263	525,447
	2,492,391	5,034,704
SPECIAL PURPOSE FUNDS (Combined)		
Accounts payable	38,202	38,961
Assessments paid in advance	35,785	47,736
Professional liability claims assessments paid in advance	275,965	274,125
	349,952	360,822
Fund equity		
Reimbursement Fund — Statement III	801,623	875,589
Legal Education Fund — Statement IV	5,368	5,112
Endowment and Trust Fund — Statement V		
Billinkoff Loan Fund	1,463	1,394
Crawford Scholarship and Prize Fund	5,548	5,585
Professional Liability Claims Fund — Statement VI (Note 4)	3,464,381	2,953,352
Legal Studies Program Fund — Statement VII	36,541	30,005
Law Phone-In and Lawyer Referral Fund — Statement VIII	—	—
William Edward Driscoll Bursary Fund — Statement IX	3,060	3,520
Brian Pauls' Emergency Fund — Statement X	323	—
	4,318,307	3,874,557
	4,668,259	4,235,379
	$7,160,650	$9,270,083

See accompanying notes to Financial Statements.

THE LAW SOCIETY OF MANITOBA
STATEMENT OF GENERAL FUND INCOME AND EQUITY
For the Year Ended March 31, 1988

REVENUE	1988	1987
Annual fee — practising	$801,718	$821,425
— non-practising	22,550	20,881
Rental	130,830	120,686
Call and attorney fees	24,000	26,250
Administration fees	24,280	25,090
Grant from Professional Liability Claims Fund	75,000	50,000
Investment Income	62,428	60,597
Miscellaneous	25,270	26,463
Costs recovered — Discipline Committee	4,300	4,775
	1,170,376	1,156,167
Expenses		
Benchers' meeting expenses	40,959	36,595
Discipline Committee expenses	27,831	16,951
Foreign exchange loss on investments	9,417	—
Grant to Law Phone-In and Lawyer Referral Fund	20,660	206
Grant to Legal Studies Program Fund	—	20,000
Library Grant	140,000	140,000
Mortgage interest	101,076	112,714
Other grants and prizes	25,983	21,058
Office equipment and maintenance	16,035	27,645
Other office and sundry expenses	82,860	80,157
Printing, stationery and postage	71,483	70,847
Professional fees	9,813	5,079
Property taxes	45,961	39,944
Public relations	—	1,896
Salaries and benefits	455,662	379,268
Travel	33,570	31,795
Utilities	15,250	12,938
	1,096,560	997,093
Excess of revenue over expenses	73,816	159,074
Fund equity, beginning of year	525,447	366,373
Fund equity, end of year	$599,263	$525,447

See accompanying notes to financial statements.

STATEMENT III

THE LAW SOCIETY OF MANITOBA
STATEMENT OF REIMBURSEMENT FUND INCOME AND EQUITY
For the Year Ended March 31, 1988

REVENUES	1988	1987
Annual assessments	$114,606	$186,693
Net Investment income	40,393	64,457
Recoveries	9	—
	155,008	251,150
EXPENSES		
Claims	60,557	—
Foreign exchange loss on investments	13,183	—
Insurance	81,598	70,000
Salaries	73,636	69,846
	228,974	139,846
Excess of revenues over expenses (expenses over revenues)	(73,966)	111,304
Fund equity, beginning of year	875,589	764,285
Fund equity, end of year	$801,623	$875,589

STATEMENT IV

STATEMENT OF LEGAL EDUCATION FUND INCOME AND EQUITY
For the Year Ended March 31, 1988

	1988	1987
Interest income	$ 256	$ —
Fund equity, beginning of year	5,112	5,112
Fund equity, end of year	$ 5,368	$ 5,112

See accompanying notes to financial statements.

THE LAW SOCIETY OF MANITOBA
STATEMENT OF ENDOWMENT AND TRUST FUND INCOME AND EQUITY
For the Year Ended March 31, 1988

	1988	1987
BILLINKOFF LOAN FUND		
Interest income	$ 69	$ —
Fund equity, beginning of year	1,394	1,394
Fund equity, end of year	$1,463	$1,394
CRAWFORD SCHOLARSHIP AND PRIZE FUND		
Investment income	$ 489	$ 564
Less Scholarship paid	526	600
Excess of expenses over revenue	(37)	(36)
Fund equity, beginning of year	5,585	5,621
Fund equity, end of year	$5,548	$5,585

See accompanying notes to financial statements.

THE LAW SOCIETY OF MANITOBA

STATEMENT OF PROFESSIONAL LIABILITY CLAIMS FUND INCOME AND EQUITY

For the Year Ended March 31, 1988

REVENUES	1988	1987
Insurance premiums paid by members	$1,180,013	$1,366,250
Net investment income	267,930	210,091
	1,447,943	1,576,341
EXPENSES		
Adjusters fees	108,509	103,555
Claims paid	344,419	100,638
Counsel fees	243,049	212,452
Foreign exchange loss on investments	52,733	—
Grant to General Fund	75,000	50,000
Other	72,734	43,913
Premiums	40,470	32,800
	936,914	543,358
Excess of revenue over expenses	511,029	1,032,983
Fund equity, beginning of year	2,953,352	1,920,369
Fund equity, end of year (Note 4)	$3,464,381	$2,953,352

See accompanying notes to financial statements.

THE LAW SOCIETY OF MANITOBA

STATEMENT OF LEGAL STUDIES PROGRAM FUND INCOME AND EQUITY

For the Year Ended March 31, 1988

REVENUES	1988	1987
Grant from Manitoba Law Foundation	$401,527	$361,670
Bar admission course fees	32,940	35,200
Legal studies lectures	39,473	34,596
Grant from the General Fund	—	20,000
Miscellaneous	22,543	29,316
Interest	—	1,253
	496,483	482,035
EXPENSES		
Call ceremony	6,427	6,151
Furniture and fixtures	2,804	473
Grants	23,625	23,400
Honoraria to lecturers	52,343	55,429
Library grant	—	65,000
Miscellaneous	717	1,122
Office supplies and stationery	15,817	15,033
Photocopying and printing	53,182	53,458
Rent	100,737	94,540
Salaries	175,075	143,206
Travel and seminar	33,890	23,781
Travel and lodging — students	25,330	39,387
	489,947	520,980
Excess of revenues over expenses (expenses over revenues)	6,536	(38,945)
Fund equity, beginning of year	30,005	68,950
Fund equity, end of year	$ 36,541	$ 30,005

See accompanying notes to the financial statements.

STATEMENT VIII

THE LAW SOCIETY OF MANITOBA

STATEMENT OF LAW PHONE IN AND LAWYER REFERRAL FUND INCOME AND EQUITY
For the Year Ended March 31, 1988

	1988	1987
REVENUES		
Grant from Manitoba Law Foundation	$40,000	$36,500
Grant from General Fund	20,660	206
	60,660	36,706
EXPENSES		
Grant to C.L.E.A.	29,744	—
Photocopying	—	92
Postage	—	488
Salaries and benefits	23,127	25,339
Sundry	2,466	3,208
Telephone	5,323	7,579
	60,660	36,706
Net income and fund equity, end of year	$ —	$ —

STATEMENT IX

THE LAW SOCIETY OF MANITOBA

STATEMENT OF WILLIAM EDWARD DRISCOLL BURSARY FUND INCOME AND EQUITY
For the Year Ended March 31, 1988

	1988	1987
Investment income	$ 190	$ 203
Bursary	(650)	—
	(460)	203
Fund equity, beginning of year	3,520	3,317
Fund equity, end of year	$3,060	$3,520

STATEMENT X

STATEMENT OF BRIAN PAULS' EMERGENCY FUND INCOME AND EQUITY
For the Year Ended March 31, 1988

	1988	1987
Original capital	$ 323	$ —
Fund equity, beginning of year	—	—
Fund equity, end of year	$ 323	$ —

See accompanying notes to financial statements.

SPECIAL PURPOSE FUNDS BALANCE

ASSETS

	1988	1987
REIMBURSEMENT FUND		
Due from General Fund	$ 69,051	$ 726,181
Accrued interest receivable	3,650	5,673
Prepaid expense	—	81,598
Investments, at cost (market value $716,759; 1987 — $87,450) (Note 2)	750,222	88,050
	822,923	901,502
LEGAL EDUCATION FUND		
Due from General Fund	5,368	5,112
ENDOWMENT AND TRUST FUND		
Due from General Fund	122	1,490
Accounts and accrued interest receivable	1,889	489
Investment in term deposits, at cost	5,000	5,000
	7,011	6,979
PROFESSIONAL LIABILITY CLAIMS FUND		
Due from General Fund	465,670	2,419,629
Accrued interest receivable	44,334	53,119
Investments, at cost (market value $3,118,560; 1987 — $773,929) (Note 2)	3,249,186	771,049
	3,759,190	3,243,797
LEGAL STUDIES PROGRAM FUND		
Due from General Fund	62,634	64,427
Accounts receivable	7,395	8,640
Prepaid expenses	355	1,303
	70,384	74,370
LAW PHONE-IN AND LAWYER REFERRAL FUND		
Grant receivable	—	$36,500
	—	36,500
WILLIAM EDWARD DRISCOLL BURSARY FUND		
Due from General Fund	3,051	3,465
Accrued interest receivable	9	55
	3,060	3,520
BRIAN PAULS' EMERGENCY FUND		
Loan receivable	300	—
Due from General Fund	23	—
	$ 323	$ —

OF MANITOBA

STATEMENT XI

SHEETS AT MARCH 31, 1988

LIABILITIES AND FUND EQUITIES

	1988	1987
REIMBURSEMENT FUND		
Assessments paid in advance	$ 21,300	$ 25,913
Fund equity — Statement III	801,623	875,589
	822,923	901,502
LEGAL EDUCATION FUND		
Fund equity — Statement IV	5,368	5,112
ENDOWMENT AND TRUST FUND		
Fund equity — Statement V		
Billinkoff Loan Fund	1,463	1,394
Crawford Scholarship and Prize Fund	5,548	5,585
	7,011	6,979
PROFESSIONAL LIABILITY CLAIMS FUND		
Professional liability insurance premiums paid in advance	275,965	274,125
Accounts payable	18,844	16,320
Fund equity — Statement VI (Note 4)	3,464,381	2,953,352
	3,759,190	3,243,797
LEGAL STUDIES PROGRAM FUND		
Accounts payable	19,358	22,542
Course fees paid in advance	14,485	21,823
Fund equity — Statement VII	36,541	30,005
	70,384	74,370
LAW PHONE-IN AND LAWYER REFERRAL FUND		
Due to general fund	—	36,401
Accounts payable	—	99
Fund equity — Statement VIII	—	—
	—	36,500
WILLIAM EDWARD DRISCOLL BURSARY FUND		
Fund equity — Statement IX	3,060	3,520
	3,060	3,520
BRIAN PAULS' EMERGENCY FUND		
Fund equity — Statement X	323	—
	$ 323	$ —

See accompanying note to Financial Statements.

THE LAW SOCIETY OF MANITOBA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1988

1. Basis of accounting

a. Nature of organization

The Law Society of Manitoba is a not-for-profit organization incorporated by a special act of the Manitoba legislature. The Society follows the accrual method of accounting (except as outlined in Note 4) and has established separate special purpose funds for the administration of specific programs.

b. Fixed assets

Fixed assets are composed as follows:

	1988	1987
Land	$ 257,501	$ 257,501
Building	873,547	873,547
Office equipment	1	1
	$1,131,049	$1,131,049

Land and the building are valued at cost while office equipment is valued at a nominal amount. Office equipment purchases are expensed in the year of acquisition. Depreciation expense has not been recorded in the financial statements.

c. Foreign currency translation

All investments maintained in United States currency have been translated into Canadian dollars at the exchange rate in effect at March 31, 1988.

2. Investments

Investments consist of certain guaranteed investments, stocks and bonds and are recorded on the cost basis. Management of the Society is of the opinion that the decline in market value of the investments is temporary in nature and accordingly, no write-down to market value has been provided in these financial statements.

During the year, the Society invested in certain equity and debt securities. All such investments and related earnings have been aggregated in one pool and are allocated amongst the funds as follows:

General Fund	12.5%
Reimbursement Fund	17.5
Professional Liability Claims Fund	70.0
	100.0%

In prior years, all investments and related earnings were identified as belonging to a specific fund. This change has affected the investment and interfund balances of the General, Reimbursement and Professional Liability Claims Funds.

3. Mortgage Payable

The mortgage on the land and building due to The Great-West Life Assurance Company is secured by the property and assignment of rents.

Interest is charged at 12.75% per annum compounded semi-annually. Monthly principal and interest mortgage payments of $10,856 commenced February 1, 1986 and continue for 10 years. The unpaid balance is due and payable January 1, 1996.

4. Professional Liability Claims Fund contingent liability

The Professional Liability Claims Fund operates to make available a source of funds for the payment of current and future claims, relating to errors and omissions, against the Society's members. The entire $3,464,381 fund equity at March 31, 1988, is maintained for the payment of current and future claims. The estimated amount likely to be payable by the Society with respect to claims in process at March 31, 1988 amounts to approximately $1,700,000. The fund equity remaining after the payment of the claims in process is available to pay for future claims relating to errors and omissions.

Any payments which occur are accounted for in the year paid.

Currently, the Society operates the Professional Liability Claims Fund without the benefits of insurance coverage from external sources. Beginning April 1, 1986, the Fund covers all members up to a maximum liability of $250,000 per claim, with each individual member being responsible for the first $5,000 on the claim. Each member is responsible for claims in excess of $250,000. Prior to April 1, 1986, external insurance coverage was maintained which provided a $25,000 deductible clause for each claim paid with the first $5,000 being recoverable from the member.

5. Reimbursement Fund contingent liability

Claims against members of the Society arising from breach of trust and misappropriation of clients' funds are considered by the Benchers and at the discretion of the governing body certain amounts may be paid to the claimants. Any claim payments which may occur will be accounted for in the year paid.